

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Record Request Response

Record Request No.: DTE-RR-5

Please explain the changes between the original amortization amounts shown in the filing (MHC 7-18 (Electric) and MHC 7-21 (Gas)) and the amounts shown on DTE 7-32 (Electric).

Response:

Please refer to Attachment 1, DTE-RR-5 and Attachment 2, DTE-RR-5 for a comparison of the revised Amortization Adjustment for the Electric and Gas Divisions as compared to the original filing.

When completing DTE 7-32 (Electric) and DTE 7-24 (Gas) it was determined that adjustments were required for Technology Systems, Customer Information System, Internet Website, Load Reporting System on Schedules MHC 7-18 (Electric). There were similar changes to Customer Information System, Internet Website, Technology Services and LERS Logica System on MHC 7-21 (Gas). A significant portion of the adjustments relate to changing the allocation between gas and electric divisions to incorporate the proposed gas and electric allocations as described in Exhibit FGE-MHC-6 (Gas) and Exhibit FGE-MHC-6 (Electric).

The remaining adjustments, which decrease the Gas Division amortization by \$3,376 and increase the Electric Division amortization by \$2,475, were caused by the following:

Two amortizations items on MHC 7-18 (Electric) (previously included in Technology Systems, one of which is now on the new line Technology Services) were erroneously included in the Annualized Amount column. These two amounts decrease amortization expense by \$813. The annual amortization level of these two items was not changing and, therefore, did not have to be adjusted. The Test Year Amount column did not include the corresponding, offsetting amounts for these items.

In addition, there were two other amortization amounts included within Website Development, whose Annualized Amounts were calculated incorrectly and reduce amortization expense by \$98.

The remaining \$10 variance is due to rounding when changing the allocation percentages between Gas and Electric Divisions as described in Exhibit FGE-MHC-6 (Gas) and Exhibit FGE-MHC-6 (Electric).

The total of these three amounts is a decrease in the amortization adjustment of \$901.

Person Responsible: Mark H. Collin

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
AMORTIZATION EXPENSE ADJUSTMENT Schedule MHC 7-18 (Electric)
FOR THE 12 MONTHS ENDED DECEMBER 31, 2001

LINE NO.	DESCRIPTION	ANNUALIZED AMOUNT	TEST YEAR AMOUNT	ADJUSTMENT
	<u>REVISED 8/13/02</u>			
1	DTE 99-118 PROCEEDING	\$55,275	\$13,819	\$41,456
2	COMPUTER SOFTWARE	9,078	7,426	1,652
3	CUSTOMER INFORMATION SYSTEM	100,974	24,959	76,015
4	INTERNET WEBSITE	10,623	6,865	3,758
5	TECHNOLOGY SERVICES	4,065	1,262	2,803
	LOAD REPORTING (LERS LOGICA) SYSTEM	74,902	8,039	66,863
6	TOTAL	\$254,917	\$62,370	\$192,547
	<u>AS ORIGINALLY FILED</u>			
1	DTE 99-118 PROCEEDING	\$55,275	\$13,819	\$41,456
2	TECHNOLOGY SYSTEMS	14,767	8,688	6,079
3	CUSTOMER INFORMATION SYSTEM	121,116	24,959	96,157
4	INTERNET WEBSITE	13,044	6,865	6,179
5	LOAD REPORTING SYSTEM	48,240	8,039	40,201
6	TOTAL	\$252,442	\$62,370	\$190,072
	<u>CHANGE</u>			
1	DTE 99-118 PROCEEDING	\$0	\$0	\$0
2	COMPUTER SOFTWARE	(5,689)	(1,262)	(4,427)
3	CUSTOMER INFORMATION SYSTEM	(20,142)	0	(20,142)
4	INTERNET WEBSITE	(2,421)	0	(2,421)
5	TECHNOLOGY SERVICES	4,065	1,262	2,803
	LOAD REPORTING (LERS LOGICA) SYSTEM	26,662	0	26,662
6	TOTAL	\$2,475	\$0	\$2,475

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
AMORTIZATION EXPENSE ADJUSTMENT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2001

D.T.E. 02-24/25
Attachment 2, DTE-RR-5
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LINE NO.	DESCRIPTION	ANNUALIZED AMOUNT	TEST YEAR AMOUNT	ADJUSTMENT
	<u>REVISED 8/13/02</u>			
1	COMPUTER SOFTWARE	\$26,526	\$23,534	\$2,992
2	CUSTOMER INFORMATION SYSTEM	87,095	12,654	74,441
3	INTERNET WEBSITE	9,163	3,213	5,950
4	TECHNOLOGY SERVICES	3,506	434	3,072
5	LEERS LOGICA SYSTEM	0	4,444	(4,444)
6	TOTAL	<u>\$126,290</u>	<u>\$44,279</u>	<u>\$82,011</u>
	<u>AS ORIGINALLY FILED</u>			
1	COMPUTER SOFTWARE	\$26,526	\$23,534	\$2,992
2	CUSTOMER INFORMATION SYSTEM DEVELOPMENT	66,948	12,654	54,294
3	INTERNET WEBSITE DEVELOPMENT	6,840	3,213	3,627
4	TECHNOLOGY SERVICES DEVELOPMENT	2,688	434	2,254
5	LEERS LOGICA SYSTEM DEVELOPMENT	26,664	4,444	22,220
6	TOTAL	<u>\$129,666</u>	<u>\$44,279</u>	<u>\$85,387</u>
	<u>CHANGE</u>			
1	COMPUTER SOFTWARE	\$0	\$0	\$0
2	CUSTOMER INFORMATION SYSTEM	20,147	0	20,147
3	INTERNET WEBSITE	2,323	0	2,323
4	TECHNOLOGY SERVICES	818	0	818
5	LEERS LOGICA SYSTEM	(26,664)	0	(26,664)
6	TOTAL	<u>(\$3,376)</u>	<u>\$0</u>	<u>(\$3,376)</u>